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SUBJECT: MEDIA REACTION: "CAFTA" AETN Program with Barbara
Bowie Whitman

1. January 16 "La Tribuna," Liberal Party Tegucigalpa-based daily, carried an article on CAFTA with the headline "U.S. proposes to reinforce security at Central American Ports".

2. "Tiempo," San Pedro Sula-based liberal paper owned by businessman and congressional deputy Jaime Rosenthal, carried a half-page story: "In CAFTA the U.S. goal is lowering subsidies in 15 years."

3. "El Heraldito," moderate Tegucigalpa-based daily, carried a half-page article entitled "U.S. won't eliminate all agricultural subsidies." The story focused on the U.S. call for a worldwide reduction in subsidies".

4. National TV and radio news programs gave full coverage to the CAFTA program. Nation-wide radio station Radio America did a live transmission and retransmitted the entire program on its nightly news.

6. An editorial in "La Tribuna," 1/12/03, was entitled: "Inch by Inch" "Representatives and Negotiators from the Honduran Council for Private Enterprise said that Honduras is not prepared for CAFTA. On the other hand the Costa Rican and El Salvadoran economies are well poised to take advantage of CAFTA."

"As for Honduras and Nicaragua, their agricultural sectors are more sensitive than countries with economies that have a more developed economic system. Does the negotiation team have the necessary qualified people who can meet the challenges of CAFTA? And prior to beginning negotiations, has the government consulted with the other sectors to present a consensus position at the negotiation table? From here, it looks as if no one is in a hurry to work out a national position on this important issue that will determine our economic and commercial future."

"The fact is, we are lagging behind the process waiting until someone else raises an issue or take action. We remember that during the NAFTA negotiations with Mexico and the Dominican Republic (sic), while other countries were taking strong positions and fighting over every inch, here everything was off the rails.

7. Editorial in "El Heraldito" 1/12/03 entitled: "Honduras and the Free Trade Agreement with the U.S."- "Since the Summit meeting in 1994, the process for toward an FTAA has moved forward silently, but unceasingly. Honduras along with other countries has been involved in this process. But it is clear that Honduras and Nicaragua are the two countries in the region with the weakest economies when you compare them to Guatemala, El Salvador and Costa Rica."

"But we are still have time to recover, if we are able to strengthen the fragile economic bases, diversify and make the economy more efficient, and emphasize our competitive advantages -labor and nearness to U.S. Atlantic ports. But these factors are not enough; we need a united position among government, the private sector and labor."

"It is necessary to eliminate corruption, end the delays in legal procedures, offer legal and physical security, create new dynamic opportunities, improve infrastructure, and train the negotiation team. And only if we forgo both national and special interest concerns can we hope to succeed within the regional block. Otherwise we will be condemned to be just a small consumer of foreign products and services."

Palmer